

**THE OFFICE OF THE PUBLIC DEFENDER,
EIGHTEENTH JUDICIAL DISTRICT**

(A Component Unit of the State of Louisiana)

New Roads, Louisiana

Annual Financial Report

**Year Ended
June 30, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 20 2013**

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Office of the Public Defender, Eighteenth Judicial District
New Roads, Louisiana

We have audited the accompanying basic financial statements of the governmental activities of The Office of the Public Defender, Eighteenth Judicial District (a component unit of the state of Louisiana), as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of The Office of the Public Defender, Eighteenth Judicial District's management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of The Office of the Public Defender, Eighteenth Judicial District, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on page 27 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The Office of the Public Defender, Eighteenth Judicial District, has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Office of the Public Defender, Eighteenth Judicial District's financial statements as a whole. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DeHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
February 20, 2013

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2012

ASSETS

Current Assets.

Cash and Cash Equivalents	\$	3,696
Investments		688,774
Intergovernmental Receivables		54,784
Prepaid Insurance		<u>1,425</u>
Total Current Assets		748,679

Non-Current Assets:

Capital Assets, Net of Accumulated Depreciation		<u>5,337</u>
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TOTAL ASSETS	\$	<u>754,016</u>
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The accompanying notes are an integral part of the basic financial statements.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2012

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts Payable	\$ 5,884
Deferred Revenue	<u>8,004</u>

Total Current Liabilities	<u>13,888</u>
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TOTAL LIABILITIES	<u>13,888</u>
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NET ASSETS

Invested in Capital Assets, Net of

Related Debt	5,337
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Unrestricted	<u>734,791</u>
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TOTAL NET ASSETS	<u>740,128</u>
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TOTAL LIABILITIES

AND NET ASSETS

\$ <u>754,016</u>

The accompanying notes are an integral part of the basic financial statements.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

		<u>Program Revenues</u>	<u>Net (Expenses) Revenues and Increases (Decreases) in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>
Governmental Activities			
Public Defender	<u>\$ 875,431</u>	<u>\$ 780,212</u>	<u>\$ (95,219)</u>
Total Governmental Activities	<u>875,431</u>	<u>780,212</u>	<u>(95,219)</u>
General Revenues			
Investment Earnings			<u>920</u>
Total General Revenues			<u>920</u>
Change in Net Assets			(94,299)
Net Assets-Beginning			<u>834,427</u>
Net Assets-Ending			<u>\$ 740,128</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

ASSETS

Cash and Cash Equivalents	\$	3,696
Investments		688,774
Intergovernmental Receivables		54,784
Prepaid Insurance		<u>1,425</u>
 Total Assets	 \$	 <u>748,679</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts Payable	\$	5,884
Deferred Revenue		<u>8,004</u>
Total Liabilities		<u>13,888</u>

Fund Balances.

Non-spendable		1,425
Unassigned		<u>733,366</u>

Total Fund Balances		<u>734,791</u>
Total Liabilities and Fund Equity	\$	<u>748,679</u>

The accompanying notes are an integral part of the basic financial statements

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2012**

Total Governmental Fund Balances		\$734,791
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds		
Capital Assets	33,438	
Accumulated Depreciation	<u>(28,101)</u>	<u>5,337</u>
Net Assets of Governmental Activities		<u><u>\$740,128</u></u>

The accompanying notes are an integral part of the basic financial statements.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

Revenues:	
Court Fees	\$ 715,190
Bond Fees	63,822
Local Revenue	1,200
Investment Income	<u>920</u>
 Total Revenues	 <u>781,132</u>
Expenditures	
Salaries	225,558
Fringe	40,285
Travel	4,738
Operating Services	15,278
Materials and Supplies	12,298
Professional	565,176
Client Expense	<u>6,289</u>
 Total Expenditures	 <u>869,622</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>(88,490)</u>
 Fund Balances, Beginning	 <u>823,281</u>
Fund Balances, Ending	<u>\$ 734,791</u>

The accompanying notes are an integral part of the basic financial statements.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Net Change in Fund Balances - Total Governmental Funds \$ (88,490)

Amounts reported for governmental activities in the Statement of Activities are different because.

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.

Capital Outlay	-
Depreciation Expense	<u>(5,809)</u>
Net Adjustment	<u>(5,809)</u>

Change in Net Assets of Governmental Activities \$ (94,299)

The accompanying notes are an integral part of the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Office of the Public Defender, Eighteenth Judicial District, (the Public Defender) was established by the provisions of Louisiana Revised Statutes 15:144-149, to provide counsel to represent indigent, (needy individuals) in criminal and quasi-criminal cases at the District Court level. The Office of the Public Defender, Eighteenth Judicial District, encompasses the parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana.

During the 2007 Regular Session, Act No. 307, thereby created and established as a state agency within the Office of the Governor the Louisiana Public Defender Board to provide for the supervision, administration and delivery of the statewide public defender system, which must deliver uniform public defender services in all courts in the state. The Board is composed of fifteen members who are appointed by the Governor, Chief Justice of the Supreme Court of Louisiana, the president of the Senate and Speaker of the House of Representatives, the president of the Louisiana State Bar Association, the Louisiana Chapter of Louis A. Marinet Society, the chairman of the Louisiana State Law Institute's Children Code Committee and the Louisiana Interchurch Conference. The Board is funded by deductions from fines and forfeitures to administer the indigent defender system of the District Public Defender Board court. Expenditures are governed by Act 307 of 2007 and actions of the Board.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, The Office of the Public Defender, Eighteenth Judicial District is considered a component unit of the State of Louisiana. As a component unit, the accompanying financial statements present information only on the funds maintained by The Office of the Public Defender, Eighteenth Judicial District, and do not present information on the State of Louisiana, the general government unit, or the other governmental units that comprise the financial reporting entity.

1. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Public Defender. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Government-Wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. All individual governmental funds are reported as separate columns in the fund financial statements.

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fines, bail bonds, court fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Public Defender reports the following governmental funds:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

3. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State law and the Public Defender's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government-backed securities.

Investments for the Public Defender are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

4. Receivables and Payables

Receivables consist of all revenues earned at year end and not yet received. Payables consist of all liabilities incurred at year end and not yet paid.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Inventories and Prepaid Items

All immaterial inventories of the governmental funds are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

6. Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Public Defender maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5-10 years

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Net Assets in the Government-Wide Financial Statements

In the government-wide statement of net assets, the net asset amount is classified and displayed in three components

- Invested in capital assets – This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year-end the Public Defender did not have any borrowings that were related to capital assets.
- Restricted net assets – This component consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – This component consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets."

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the Public Defender's usual policy is to use restricted resources first to finance its activities.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with the 2011 fiscal year, the Public Defender implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used

1. Non-spendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being non-spendable as this item is not expected to be converted to cash.
2. Restricted - This classification includes amounts for which constraints have been placed on the use of resources are either:
 - a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or
 - b) Imposed by law through constitutional provisions or enabling legislation
3. Committed - This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Public Defender's board of directors, which is the Public Defender's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Public Defender did not have any committed resources as of year-end.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Fund Equity – Fund Financial Statements

- 4 Assigned - This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Public Defender's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The Public Defender's management has not assigned any amounts at year-end
- 5 Unassigned - This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund

When fund balance resources are available for a specific purpose in multiple classifications, the Public Defender would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

9. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Public Defender's Office prepares an original and amended budget. A budgetary comparison schedule has been provided for the general fund.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

C. CASH AND CASH EQUIVALENTS

At June 30, 2012, the Public Defender had a demand cash account (book balances) totaling \$3,696. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2012, the Public Defender had \$4,983 in deposits (collected bank balances). These deposits are secured from risk by \$4,983 of federal deposit insurance.

D. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Public Defender or its agent in the Public Defender's name
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Public Defender's name
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Public Defender's name

At fiscal year-end, the Public Defender's investment balances were as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Total Carrying Amount</u>
External Investment Pool (LAMP)	<u>\$688,774</u>	<u>\$688,774</u>	<u>\$688,774</u>

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

D. INVESTMENTS (continued)

LAMP is administered by LAMP, Inc a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk - LAMP is rated AAAM by Standard & Poor's
- Custodial credit risk - LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is the pool, not the securities that make up the pool, therefore, no disclosure is required.
- Concentration of credit risk - Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk - 2a7- like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk - Not applicable to 2a7-like pools.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

E. RECEIVABLES

The receivables of \$54,784 at June 30, 2012, are as follows:

Class of Receivable

Taxes:

Intergovernmental:

Court fees and bail bonds \$54,784

Receivables are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge off method is not a material departure from GAAP as it approximates the valuation method

F. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2012, for the primary government is as follows

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets being depreciated:				
Machinery and equipment	<u>\$62,278</u>	<u>\$ -</u>	<u>\$(28,840)</u>	<u>\$33,438</u>
Total capital assets being depreciated	<u>62,278</u>	<u>-</u>	<u>(28,840)</u>	<u>33,438</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(51,132)</u>	<u>(5,809)</u>	<u>28,840</u>	<u>(28,101)</u>
Total accumulated depreciation	<u>(51,132)</u>	<u>(5,809)</u>	<u>28,840</u>	<u>(28,101)</u>
Total capital assets being depreciated, net	<u>\$15,828</u>	<u>\$(5,809)</u>	<u>\$ -</u>	<u>\$ 5,337</u>

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

G. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$5,884 at June 30, 2012, are as follows:

	<u>General Fund</u>
Accounts Payable	<u>\$5,884</u>

H. DEFERRED REVENUE

The Public Defender has deferred unspent grant revenue for juvenile services at year-end in the amount of \$8,004.

I. LEASES

The Public Defender does not record items under capital leases as an asset and an obligation in the accompanying financial statements. The Public Defender has an immaterial \$165 per month mini storage facility lease

J. COMPENSATION

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, no compensation was paid to board members as of June 30, 2012

The Public Defender, C. Jerome L'Aquila, received \$66,179 during the fiscal year ended June 30, 2012.

K. JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There was no litigation pending against the Public Defender as of June 30, 2012. No claims were paid out or litigation costs incurred during the year ended June 30, 2012

The Public Defender's management believes that any potential lawsuits would be covered by insurance or resolved without any material impact upon the Public Defender's financial statements.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2012**

L. RISK MANAGEMENT

The Public Defender is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees; and natural disasters. The Public Defender has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Public Defender's coverage.

M. SUBSEQUENT EVENTS

The Organization did not have any subsequent events through February 20, 2013, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2012.

**REQUIRED SUPPLEMENTARY
INFORMATION**

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND**

YEAR ENDED JUNE 30, 2012

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Court Fees	\$ 775,000	\$ 706,129	\$ 715,190	\$ 9,061
Bond Fees	70,000	87,672	63,822	(23,850)
Local	1,200	1,200	1,200	-
Investment Earnings	1,500	936	920	(16)
Total Revenues	847,700	795,937	781,132	(14,805)
Expenditures				
Salaries	230,000	236,277	225,558	10,719
Fringe	28,500	27,935	40,285	(12,350)
Travel	4,200	4,738	4,738	-
Operating Services	38,200	32,889	15,278	17,611
Material and Supplies	9,000	12,916	12,298	618
Professional	584,200	553,390	565,176	(11,786)
Client Expense	-	-	6,289	(6,289)
Capital Outlay	-	425	-	425
Total Expenditures	894,100	868,570	869,622	(1,052)
Excess (Deficiency) of Revenues Over Expenditures	(46,400)	(72,633)	(88,490)	(15,857)
Net Increases (Decreases)	(46,400)	(72,633)	(88,490)	(15,857)
Fund Balance, Beginning	863,479	863,479	823,281	(40,198)
Fund Balance, Ending	\$ 817,079	\$ 790,846	\$ 734,791	\$ (56,055)

OTHER SUPPLEMENTARY INFORMATION

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2012, the major sources of governmental fund revenues and expenditures were as follows

Revenues:

Local Government

Statutory fines, forfeitures, fees, court costs, and other \$ 780,212

Investment Earnings 920

Total Revenues \$ 781,132

Expenditures:

Personnel Services and Benefits

Salaries \$ 225,558

Insurance 10,951

Payroll Taxes 17,577

Total Personnel Services and Benefits 254,086

Operating Costs

Library Research 24,063

Contract Services - Attorney/Legal 522,209

Contract Services - Other 45,488

Lease - Office 3,970

Travel - Transportation 4,738

Insurance 3,797

Supplies 5,473

Repairs and Maintenance 933

Utilities and Telephone 3,716

Other 1,149

Total Operating Costs 615,536

Total Expenditures \$ 869,622

**COMPLIANCE
AND
INTERNAL CONTROL**

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Office of the Public Defender, Eighteenth Judicial District
New Roads, Louisiana

We have audited the financial statements of The Office of the Public Defender, Eighteenth Judicial District as of and for the year ended June 30, 2012, and have issued our report thereon dated February 20, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

Internal Control over Financial Reporting

In planning and performing our audit, we considered The Office of the Public Defender, Eighteenth Judicial District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiency in internal control over financial reporting that we consider to be material weaknesses, as defined above

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Office of the Public Defender, Eighteenth Judicial District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, instances of noncompliance with Louisiana Revised Statutes were noted and are described in the accompanying schedule of findings and questioned costs as items 2012-1 and 2012-2.

The District Defender's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit The Office of the Public Defender, Eighteenth Judicial District's response and accordingly, we express no opinion on it.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DeHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
February 20, 2013

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR YEAR ENDED JUNE 30, 2012**

We have audited the financial statements of The Office of the Public Defender, Eighteenth Judicial District as of and for the year ended June 30, 2012, and have issued our report thereon dated February 20, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Our audit of the financial statements of June 30, 2012 resulted in an unqualified opinion

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
---	------------------------------	--

Section II - Financial Statement Findings

2012-1 Budget Preparation Process

Statement of Condition:

The Office of the Public Defender, Eighteenth Judicial District did not follow the requirements of the Local Government Budget Act (LGBA), found in R S 39 1301-1315.

Criteria

Louisiana Revised Statutes 39-1301-1315 require certain processes to be followed regarding the budget such as public advertising and amendments within a certain time-frame.

Effect of Condition

The condition has no effect on the financial statements of The Office of the Public Defender, Eighteenth Judicial District

Cause of Condition

The Office of the Public Defender, Eighteenth Judicial District did not follow Louisiana Budget Laws

Recommendation

We recommend that The Office of the Public Defender, Eighteenth Judicial District implement the requirements of the Local Government Budget Act.

Management's Response:

We agree with the finding and will begin compliance during the 2013 fiscal year

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR YEAR ENDED JUNE 30, 2012**

(continued)

2012-2 Timely Filing

Statement of Condition

The Office of the Public Defender, Eighteenth Judicial District neglected to submit audited financial statements in a timely manner

Criteria

Agencies that must report to the Louisiana Legislative Auditor must observe the state law and submit their audited financial statements within six months after the fiscal year end

Effect of Condition:

The delay in the audit submission caused the entity to be out of compliance with the Louisiana Legislative Auditor.

Cause of Condition:

Due to extenuating circumstances out of management's control, they were unable to adhere to the requirement. Management made the necessary arrangements with the Louisiana Legislative Auditor to obtain an extension which was met. No effect on the financial statements

Recommendation:

The Office of the Public Defender, Eighteenth Judicial District experienced extenuating circumstances with the loss of their auditor. In previous years, the audit was completed by the six month deadline and we believe The Office of the Public Defender, Eighteenth Judicial District will continue to meet this requirement as in prior years

Management's Response

We agree with the finding and will ensure that all future audits are issued in a timely manner.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the current year.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

**SCHEDULE OF PRIOR YEAR'S FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

Re	Fiscal Year		Corrective Action Taken	Corrective
No.	Initially		(Yes, No, Partially)	Action
No.	Occurred	Description of Finding	(Yes, No, Partially)	Taken
		None		

**THE OFFICE OF THE INDIGENT DEFENDER
EIGHTEENTH JUDICIAL DISTRICT**
PARISHES OF IBERVILLE, POINTE COUPEE & WEST BATON ROUGE
C. JEROME D'AQUILA, CHIEF INDIGENT DEFENDER
P O BOX 866 - NEW ROADS, LOUISIANA 70760
NEW ROADS (225) 638-9083 - PORT ALLEN (225) 387-6209 - PLAQUEMINE (225) 687-5212

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2012

Louisiana Legislative Auditor

The Office of the Public Defender, Eighteenth Judicial District respectfully submits the following corrective action plan for the year ended June 30, 2012

2012-1 - Budget Preparation Process

Recommendation

We recommend that The Office of the Public Defender, Eighteenth Judicial District implement the requirements of the Local Government Budget Act

Management's Response

We agree with the finding and will begin compliance during the 2013 fiscal year

2012-2 Timely Filing

Recommendation

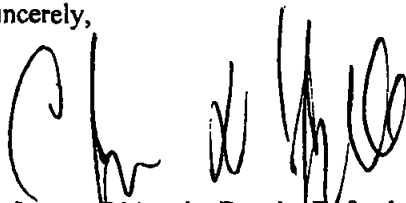
The Office of the Public Defender, Eighteenth Judicial District experienced extenuating circumstances with the loss of their auditor. In previous years, the audit was completed by the six month deadline and we believe The Office of the Public Defender, Eighteenth Judicial District will continue to meet this requirement as in prior years

Management's Response

We agree with the finding and will ensure that all future audits are issued in a timely manner

If the Louisiana Legislative Auditor has questions regarding this plan, please call Chris Guerin, Accountant, at 225-387-6209

Sincerely,



C. Jerome D'Aquila, District Defender
Eighteenth Judicial District, Office of the Public Defender

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February 20, 2013

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Mr. Jerome D'Aquila, Public Defender
Eighteenth Judicial District Public Defender
P.O. Box 866
New Roads, LA 70760

In planning and performing our audit of the financial statements of The Office of the Public Defender, Eighteenth Judicial District as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Public Defender's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of a few matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously reported on the Organization's internal control in our report dated February 20, 2013. This letter does not affect our report dated February 20, 2013, on the financial statements of The Office of the Public Defender, Eighteenth Judicial District.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
MANAGEMENT LETTER
For Year Ended: June 30, 2012

I. **EMPLOYEE HANDBOOK**

Auditors' Comment: During our audit of the entity, we noticed that the entity did not have an employee handbook.

Auditors' Recommendation We recommend creating an employee handbook which outlines benefits, expectations and policies.

Management's Response We will begin creating an employee handbook during the 2013 fiscal year.